ARIZONA CORPORATION COMMISSION **UTILITIES DIVISION**

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY



W-02539A Granite Oaks Water Users Association, Inc. P. O. Box 4947 Chino Valley, AZ 86323

ANNUAL REPORT

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12 FOR YEAR ENDING 31 2002 FOR COMMISSION USE



COMPANY INFORMATION

Company Name (Business Name) C	Granite Oaks Water Users Asso	ciation, Inc	
Mailing Address: PO Box 4947 (Street)			
Chino Valley	Arizona	86	6323
(City)	(State)		Zip)
928-583-0655		ž	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No.	(Include Area Code)
Email Address	,		(merado rinea dede)
Local Office Mailing Address			
	(Street)		
(City)	(State)	(Zi	p)
Local Office Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell 1	No. (Include Area Code)
Email Address		· · · · · · · · · · · · · · · · · · ·	
MAN	AGEMENT INFORMAT	<u>ION</u>	
Management Contact: Lee Hixson			
	(Name)	(T)	itle)
1825 E Vanderhoef Lane Cottonw	vood	Arizona	86326
(Street)	(City)	(State)	(Zip)
928-634-2533	928-634-9350		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (I	nclude Area Code)
Email Address			
On Site Manager: Lee Hixson			
	(Name)	· · · · · · · · · · · · · · · · · · ·	
Same as above			
(Street)	(City)	(State)	(7in)

Fax No. (Include Area Code)

(City)

Telephone No. (Include Area Code)

Email Address_

(State)

Pager/Cell No. (Include Area Code)

(Zip)

Statutory Agent: Douglas C Nelson			
	(Name)		
	Phoenix	Arizona	85020_
(Street)	(City)	(State)	(Zip)
602-395-1612			
Telephone No. (Include Area Code)	Fax No. (Include Area Code	Pager/Cell No	o. (Include Area Code)
Attorney: Douglas C Nelson, PC			
	(Name)		
7000 N 16 th St #120-307 (Street)	Phoenix	Arizona	85020
, ,	(City)	(State)	(Zip)
602-395-1612 Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No.	(In alarda Assa Call)
cospilate vo. (metade vica code)	rax No. (include Alea Code)	Pager/Cell No.	(Include Area Code)
O	WNERSHIP INFORMATI	ON	
Check the following box that applies to	your company:		
Sole Proprietor (S)	C Corporation	(C) (Other than A	ssociation/Co_on`
	C corporation	(C) (Other than A	ssociation/Co-op
Partnership (P)	☐ Subchapter S C	orporation (Z)	
☐ Bankruptcy (B)	Association/Co	op (A)	
Receivership (R)	Limited Liabili	ty Company	
Other (Describe) <u>501 (C)</u> <u>12</u>	2 Corporation		
	COUNTIES SERVED		
	COUNTESSERVED		
Check the box below for the county/ies	in which you are certificated to	provide service:	
П АРАСНЕ	☐ COCHISE	□ coc	CONINO
☐ GILA	☐ GRAHAM		NATE OF
_			CENLEE
☐ LA PAZ	☐ MARICOPA	☐ MOI	HAVE
☐ NAVAJO	☐ PIMA	☐ PINA	AL
☐ SANTA CRUZ	⊠ YAVAPAI		
	M IAVAFAI	∐ YUM	IA
☐ STATEWIDE			

UTILITY PLANT IN SERVICE

Acct.		Original	Accumulated	O.C.L.D.
No.	DESCRIPTION	Cost (OC)	Depreciation (AD)	(OC less AD)
301	Organization	12,128	2,835	9,293
302	Franchises	350	82	268
303	Land and Land Rights	6,000		6,000
304	Structures and Improvements	45,896	10,726	35,170
307	Wells and Springs	31,032	7,251	23,781
311	Pumping Equipment	64,708	15,122	49,586
320	Water Treatment Equipment	3,310	773	2,536
330	Distribution Reservoirs and Standpipes	27,440	6,413	21,027
331	Transmission and Distribution Mains	531,083	124,603	406,480
333	Services	26,370	6,162	20,208
334	Meters and Meter Installations	10,026	2,344	7,682
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	40,576	1,440	39,136
340	Office Furniture and Equipment	11,317	226	11,091
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	810,236	177,258	612,491

This amount goes on the Balance Sheet Acct. No. 108

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	12,128	.02	243
302	Franchises	350	.02	7
303	Land and Land Rights	6,000		
304	Structures and Improvements	45,896	.02	918
307	Wells and Springs	31,032	.02	621
311	Pumping Equipment	64,708	.02	1,294
320	Water Treatment Equipment	3,310	.02	66
330	Distribution Reservoirs and Standpipes	27,440	.02	549
331	Transmission and Distribution Mains	531,083	.02	10,622
333	Services	26,370	.02	527
334	Meters and Meter Installations	10,026	.02	201
335	Hydrants		-	
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	40,576	.02	912
340	Office Furniture and Equipment	11,317	.02	226
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	810,236		16,077

This amount goes on Comparative Statement of Income and Expense ___ Acct. No. 403.

BALANCE SHEET

Acct. No.		LANCE AT GINNING OF	B	ALANCE AT END OF
- · · · · ·	ASSETS	YEAR		YEAR
	CURRENT AND ACCRUED ASSETS			
131	Cash	\$ 58,897	\$	84,015
134	Working Funds		-	0 1,0 12
135	Temporary Cash Investments	333,598		283,275
141	Customer Accounts Receivable			
146	Notes/Receivables from Associated Companies		-	
151	Plant Material and Supplies			
162	Prepayments			
174	Miscellaneous Current and Accrued Assets			
_	TOTAL CURRENT AND ACCRUED ASSETS			
		\$ 392,495	\$	368,717
	FIXED ASSETS			
101	Utility Plant in Service	\$ 789,749	\$	810,236
103	Property Held for Future Use	136,395	, , , , , , , , , , , , , , , , , , ,	62,068
105	Construction Work in Progress	25,767		175,684
108	Accumulated Depreciation – Utility Plant	(161,181)		(177,258)
121	Non-Utility Property			(=::,===)
122	Accumulated Depreciation – Non Utility			
	TOTAL FIXED ASSETS	\$ 790,730	\$	870,730
	TOTAL ASSETS	\$ 1,183,225	\$	1,239,447

NOTE: The Assets on this page should be equal to Total Liabilities and Capital on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.			ALANCE AT GINNING OF	В	ALANCE AT END OF
	LIABILITIES		YEAR	ļ	YEAR
	CURRENT LIABILITES				
231	Accounts Payable	\$		\$	954
232	Notes Payable (Current Portion)	Ψ		Ψ	
234	Notes/Accounts Payable to Associated Companies			 	
235	Customer Deposits				
236	Accrued Taxes				
237	Accrued Interest				
241	Miscellaneous Current and Accrued Liabilities				50
	TOTAL CURRENT LIABILITIES	\$		\$	1004
	LONG-TERM DEBT (Over 12 Months)				
224	Long-Term Notes and Bonds	\$		\$	
	DEFERRED CREDITS				
251	Unamortized Premium on Debt	\$		\$	
252	Advances in Aid of Construction	J	50,770	3	45,488
255	Accumulated Deferred Investment Tax Credits		30,770		43,400
271	Contributions in Aid of Construction		714,616		714,616
272	Less: Amortization of Contributions		(157,643)		(172,035)
281	Accumulated Deferred Income Tax		(157,015)		(172,033)
	TOTAL DEFERRED CREDITS	\$	607,743	\$	589,073
	TOTAL LIABILITIES	\$		\$	
	CAPITAL ACCOUNTS				
201	Common Stock Issued	\$		•	
211	Paid in Capital in Excess of Par Value	- J	7,000	\$	7,000
215	Retained Earnings		568,482		7,000
218	Proprietary Capital (Sole Props and Partnerships)		300,402		643,374
	TOTAL CAPITAL	\$		\$	
-		Ψ	575,482	Ψ	652,374
	TOTAL LIABILITIES AND CAPITAL	\$	1,183,225	\$	1,239,447

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	P	RIOR YEAR	CUR	RENT YEAR
461	Metered Water Revenue	\$	211,149.79	\$	247,547.53
460	Unmetered Water Revenue				
474	Other Water Revenues		1,200.00		1198.38
	TOTAL REVENUES	\$	212,349.79	\$	248,745.91
	OPERATING EXPENSES				
601	Accounting	\$	3,017.49	\$	6,801.60
610	Purchased Water				
615	Purchased Power		14,623.98		20,673.43
618	Chemicals		154.74		270.48
620	Repairs and Maintenance		4,364.81		10,073.25
621	Office Supplies and Expense		3,880.23		5,518.62
630	Outside Services		82,174.40		72,646.10
635	Water Testing		1,294.28		1,860.33
641	Rents				212.00
650	Transportation Expenses				
657	Insurance – General Liability		4,721.78		4,122.00
666	Regulatory Commission Expense – Rate Case				······································
675	Miscellaneous Expense		544.67		5,318.38
760	Telephone Expense				238.98
403	Depreciation Expense		948.00		1,685.00
408	Taxes Other Than Income		12,045.79	-	10,872.39
408.11	Property Taxes		8,774.92		9,581.40
409	Income Tax				
	TOTAL OPERATING EXPENSES	\$	136,545.09	\$	149,873.96
	OPERATING INCOME/(LOSS)	\$	75,804.70	\$	98,871.95
	OTHER INCOME/(EXPENSE)				
419	Interest and Dividend Income	\$	25,877.63	\$	13,510.92
421	Non-Utility Income		311.61	Ψ	52,181.89
426	Miscellaneous Non-Utility Expenses		5375.22		9,524.64
682	Sales Expense-Sale of Land		2370.22		5,821.35
683	Cost of Land Sold				38,041.84
684	Write-off of Non-Functioning Well			·	36,285.00
	TOTAL OTHER INCOME/(EXPENSE)	\$	20,814.02	\$	(23,980.02)
	NET INCOME/(LOSS)	\$	96,618.72	\$	74,891.93

COMPANY NAME Granite Oaks Water Users Association, Inc

SUPPLEMENTAL FINANCIAL DATA Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
	N/A	N/A	N/A	N/A
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate				
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End	\$ 45,488.00
Meter Deposits Refunded During the Test Year	\$ 8,282.00

WATER COMPANY PLANT DESCRIPTION

<u>WELLS</u>

ADWR ID Number*	Pump Horsepower	Pump Yield (Gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-524070	15	80	20 510	8	3	1989
55-601103	25	250	643	10	3	1962
- A		7.1 %				

Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
NONE		

	FIRE HYDRANTS		
Quantity	Quantity Standard	Quantity Other	
3	31		
	Quantity 3		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
100,000	1	2,800	1
84,000	1	3,200	1

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

1712 H1 10			
Size (in inches)	Material	Length (in feet)	
2			
3			
4	PVC C900	<u>5,850</u>	
5			
6	PVC C900	57,100	
8	PVC C900	2,700	
10			
12			

CUSTOMER METERS

COOTOMERMETERS			
Size (in inches)	Quantity		
5/8 X ³ / ₄	416		
3/4			
1	4		
1 1/2			
2	<u>1</u>		
Comp. 3			
Turbo 3			
Comp. 4			
Tubo 4			
Comp. 6			
Tubo 6			

For the following three items, list the utility owned assets in each category.
TREATMENT EQUIPMENT:
STRUCTURES:
·
OTHER:

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2002

MONTH	NUMBER OF	GALLONS SOLD	GALLON PUMPED
	CUSTOMERS		(Thousands)
JANUARY	405	2,848	2,903
FEBRUARY	408	2,908	2,987
MARCH	409	3,635	3,690
APRIL	410	5,160	5,241
MAY	412	7,802	7,875
JUNE	417	9,950	9,961
JULY	418	9,933	10,072
AUGUST	419	11,371	11,476
SEPTEMBER	421	7,856	7,769
OCTOBER	422	6,603	6,625
NOVEMBER	420	3,817	3,617
DECEMBER	415	3,596	2,892
	TOTAL	N/A	75,108
		75479cm	

Is the Water Utility located in an ADWR Active Management Area (AMA)?

(X) Yes	() No			
Does the Company	y have An ADWR G	allons Per Capita Pe	er Day (GPCPD) r	equirement?
() Yes	(X) No			
If yes, provide the	GPCPD amount:			
What is the level of (If more than one well, please	arsenic for each we se list each separately)	ll on your system.	_<0.003/<0.003	_mg/l

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME	Granite Oaks Water Users Association, Inc	YEAR ENDING 12/31/2002
	PROPERTY TAXES	
Amount of actual prop	perty taxes paid during Calendar Year 2002 was: \$_ 9	,581.40
Attach to this annual r property tax payments	report proof (e.g. property tax bills stamped "paid in fig.) of any and all property taxes paid during the calendary	full" or copies of cancelled checks for ar year.
If no property taxes pa	aid, explain why	

COMPANY NAME Granite Oaks Water Users	Association, Inc	YEAR ENDING 12/31/2002
INC	COME TAXES	
Non Pro For this reporting period, provide the following:	ofit – Tax Exempt	
Federal Taxable Income Reported Estimated or Actual Federal Tax Liability	0 0	
State Taxable Income Reported Estimated or Actual State Tax Liability	0 0	- -
Amount of Grossed-Up Contributions/Advances:		
Amount of Contributions/Advances Amount of Gross-Up Tax Collected Total Grossed-Up Contributions/Advances		
Decision No. 55774 states, in part, that the utility we the tax year when tax returns are completed. Purs Payer or if any gross-up tax refunds have already and amount of contribution/advance, the amount of Payer, and the date the Utility expects to make or have a state of the contribution.	suant to this Decision, if grown been made, attach the follow of gross-up tax collected, the	ss-up tax refunds are due to any ring information by Payer: name e amount of refund due to each
CERTIFICATION		
The undersigned hereby certifies that the Utility has prior year's annual report. This certification is to corporation; the managing general partner, if a company or the sole proprietor, if a sole proprietors	be signed by the President partnership; the managing	or Chief Executive Officer, if a

VERIFICATION AND

SWORN STATEMENT

Intrastate Revenues Only

VERIF	ICA	TIC	N
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STATE OF

COUNTY OF (COUNTY NAME) Yavapai County

I, THE UNDERSIGNED

NAMÉ (OWNER OR OFFICIAL) TITLE Robert Busch

OF THE

COMPANY NAME Granite Oaks Water Users Association, Inc

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA COPRORATION COMMISSION

FOR THE YEAR ENDING

MONTH DAY YEAR 12 31 2002

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE **UTILITY OPERATIONS DURING CALENDAR YEAR 2002 WAS:**

> Arizona IntraState Gross Operating Revenues Only (\$) \$ 262,759.82

ARIZONA CORPORATION

COMMISSION

Director of

(THE AMOUNT IN BOX ABOVE INCLUDES \$ 14,013.91 IN SALES TAXES BILLED, OR COLLECTED

**REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)

SUBSCRIBED AND SWORN TO BEFORE ME

BLISHER PER TAMETHE **COUNTY OF** FARY PUBLIC - ARIZONA YAVAPAI COUNTY DAY OF My Comm. Expires Aug. 27, 2006

(SEAL)

MY COMMISSION EXPIRES () E/ 27/2006

TELEPHONE NUMBER

COUNTY NAME 2003 SIGNATURE OF NOTARY PUBLIC

VERIFICATION AND SWORN STATEMENT RESIDENTIAL REVENUE INTRASTATE REVENUES ONLY



VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

	THE RESERVE OF THE PROPERTY OF		
Yavapai County	Circular CTUILLES SS		
NAME (OWNER OR OFFICIAL) Robert Busch	TITLE President		
COMPANY NAME Granite Oaks Water Users Association, Inc			

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2002

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM <u>ARIZONA INTRASTATE UTILITY OPERATIONS</u> RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2002 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 262,759.82

(THE AMOUNT IN BOX AT LEFT INCLUDES \$ 14,013.91
IN SALES TAXES BILLED, OR COLLECTED

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED.

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

DAY OF

OFFICIAL SEAL

SHERRIEE JAMES

NOTARY PUBLIC - ARIZONA

YAVAPAI COUNTY My Comm. Expires Aug. 27, 2006

MY COMMISSION EXPIRES

NOTARY PUBLIC NAME
SHOW THE SAMES
COUNTY NAME YOU APOUT

MONTH APRIL

, 2003

SIGNATURE OF NOTARK PUBLIC

Granite Oaks Water Users Association, Inc Statement of Difference of Operating Revenue Reported

Due to Internal Revenue Regulations requiring that Sales Tax not be reported in Gross Revenue, and the fact that the Accountant following those requirements, the Gross Revenue reported in the financial statement portion of the report do not include the Sales Tax.

In order to report the Gross Operating Revenue in the Sworn Statements as requested in the report, the Sales Tax has been added back.

FROM:

FAX NO. 189,291强 1864 PS P00004 38 WILLARS BE 1841 91-527-1221 456-45-140, 456-90-190, 102-09-126, 102-19-0708 GRANITE OAK WATER USERS ASSOCIATION, INC. P. O. BOX 10430 PRESCOTT, AZ 66304 NORWEST BANK ARZONA, N.A. SCOTTSDALE HOME OFFICE 39902 SCOTTSDALE, ARZONA 85251

ğ

03:08PM Apr. 16 2003

FROM:

FAX NO. :

Apr. 16 2003 23:18PM P1

CASCASSA LINE OF PRICE SHEET SHEET CHARANTE

1221-0527-8

ROBERT BUSCH 2050 W. Live Oak Dr. Prescott, AZ 86305
Phone: (928) 443-0589
Fax: (928) 443-0899
Email:mbusch@cableone.net

R BUSCH

Fax

Toi C	armen Madrid		From: Bob Busch	າ	
Fax:	602-542-2129				
Phone		Date	4/16/2003		
Rei	Tax payment receipts	CC:			
□ Urg	ent	☐ Please Comment	☐ Please Reply	☐ Please R	ecycle
Ms M	fadrid:				
Here	is a copy of the tax	payment for Granite are noted on the top		ers Associati	on for
Pleas	e let me know if you r	need anything further.			
Bob E	Busch				